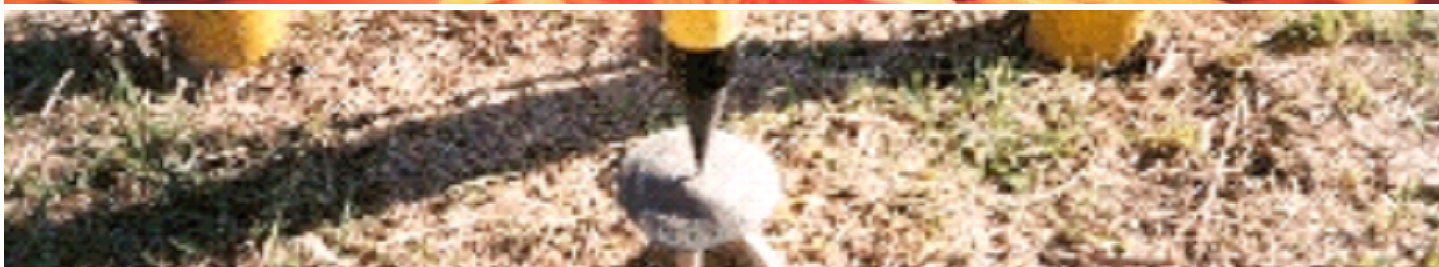
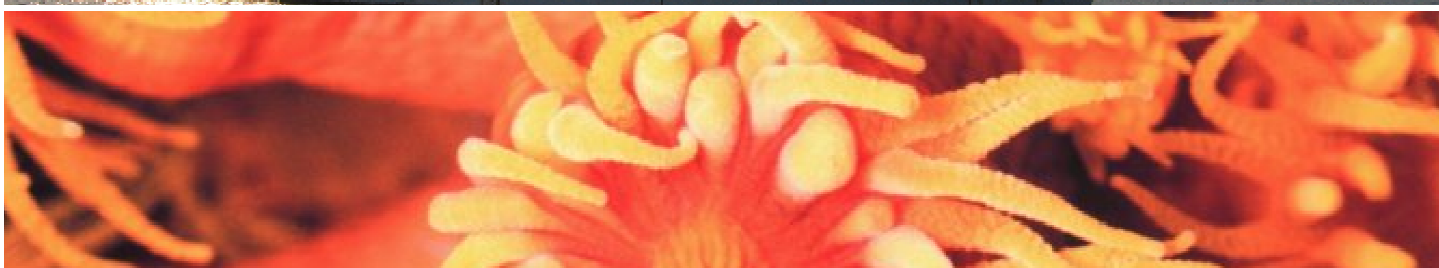


Transition Report



John H. Dunnigan
Assistant Administrator
for Ocean Services and Coastal Zone Management

April 20, 2006

National Ocean Service
National Oceanic and Atmospheric Administration
U.S. Department of Commerce



Table of Contents

Forward.....	2
Introduction.....	3
Purpose of the Report.....	3
Transition Process.....	3
Overview of the Report.....	4
NOS Strategic Direction	6
Introduction.....	6
What Do We Stand For?	6
High-Level Strategic Themes	7
Program Issues	7
NOS Management Issues.....	12
Support for Corporate NOAA.....	12
Leadership Roles/Responsibilities	13
Administrative Process & Improvement Issues.....	15
Communications	15
NOS Organization.....	16
NOS Budget Outlook.....	17
Current Budget Management Considerations	17
Future Outlook.....	17
Human Capital & Facilities	18
Workforce Issues	18
Facilities Issues	20
Conclusion	21

Forward

To All of My Colleagues at NOS:

Attached is the report to you, the staff of the National Ocean Service, resulting from my initial transition into the role of Assistant Administrator. I want to take this opportunity to highlight what has impressed me, my sense of mission and direction for NOS, and some steps I would like to take as we move forward together.

Thank you all -- the great staff at NOS -- for the exceptionally open and warm welcome that I have received. I am tremendously impressed by the commitment and passion that characterizes you. The most important thing that I have learned over the past ten weeks is that it is going to be a real privilege to serve with you.

I must also recognize the members of the transition team that have served as my guides through this process. Alan Neuschatz, Bruce Morehead, Jeff Payne and Heather Stirratt have provided wise counsel as well as dedicated many long hours working through the material we had, and preparing this report. I cannot thank them enough.

I encourage everyone to read this report; and to understand that it is, as much as anything, a start. I hope you have gathered over the past few months that I am always open to change, to fresh ideas, to questioning and evaluating our assumptions and what we think we know, and to adjusting course where it makes sense.

And I hope that this report might convey to you some sense of the anticipation and encouragement that I feel as we move forward together.

Thanks

-Jack

Introduction

Purpose of the Report

On January 9, 2006, Vice Admiral Lautenbacher announced that I would become NOAA's Assistant Administrator for Ocean Services and Coastal Zone Management, effective January 22. In preparing to undertake these responsibilities I commissioned a transition team to help me to understand those things that I would need to learn in order to be ready to become an effective leader for the National Ocean Service. Over the past 60 days I have engaged in intensive listening, with the help of the transition team. We have met with many people in the NOS program and staff offices (See Appendix A), and outside of NOS, to try to learn how I could best add value in joining our NOS colleagues.

This report is a summary of what I have learned, and my first impressions of our mission and how we undertake it. It indicates some initial steps that we will take to align how we do business with my own approaches, style, and vision. In most instances, there is no "right" or "wrong" way to do these things. The purpose of the report is three-fold:

- Convey my first impressions of what I have learned, and what in particular has struck me about the NOS staff, mission, goals, priorities and business model;
- Begin to articulate a sense of the mission and strategic directions that I believe NOS should move in to help pursue the NOAA mission and goals; and
- Indicate some initial adjustments that I would like to make to our operational protocols.

Little of what we do is ever cast in stone and this report is no exception. We continuously learn more about what we trying to do, how to go about doing it, how to respond as the world changes, and how always to try to become better. As we do, our impressions, sense of direction, and operations will change in response. One cannot learn it all in just 60 days. Learning, and adjusting to what we learn, is a life-long process.

Transition Process

The transition process began even before January 22, with a series of initial interviews with NOS program office directors. The purpose was to gain insight as to what they expected from the "first 60 days," what things needed particular attention, and where the early challenges would exist. We discussed how to complete the following sentence: "Jack's transition into the role of Assistant Administrator will have been successful if, at the end of 60 days,"

There were a number of common themes that arose from these discussions.

- Clear articulation of the AA's sense of mission and direction;
- Better use of the NOS Senior Management Council;

- Enhance communication with, and access to, the Assistant Administrator;
- Commit to a transparent operating process;
- Tell the NOS story effectively with constituents, the administration, and the Congress;
- Promote program integration, “One-NOAA”, and end-to-end approaches; and
- Commit to address workforce issues.

There were also a few areas where the views expressed were inconsistent. For example, the issue of the degree of collaboration among the different NOS program and staff offices well was not perceived the same by everyone. Some of the office directors believe that there is excellent collaboration across NOS, some do not, and some believe that while collaboration has not been a hallmark in the past, things are improving.

Overview of the Report

This report is organized along four major themes:

- Strategic Direction;
- Management Issues;
- Budget;
- Human Capital and Facilities.

We need to note from the outset that as we pursue a common vision for our future, we will have to do so in a time of exceptionally constrained resources. Anything that we change or want to do differently, we have to find the resources for within our current program. We will not be able to do everything.

We need to differentiate between the role of the Assistant Administrator, and things that are aimed more clearly at the NOS enterprise as a whole. The report attempts to deal with both issues: how NOS can become better and more effective; and how the new Assistant Administrator can focus his time, energy and skill sets to be an effective leader.

An important concept to keep in mind while reading this report is the frame of reference for the notion of “leadership.” There are many areas cited in this report where NOS needs to provide leadership for NOAA, our partners and stakeholders, and the community at large. For example, we should provide leadership in the implementation of the Ocean Action Plan, in moving NOAA forward in the application of ecosystems approaches to management, in providing greater collaboration among federal agencies, in promoting the future needs of the nation’s marine transportation system, and in defining the future of the state-federal partnership for coastal management. “Leadership” is a complex idea that implies playing different roles in different circumstances, to achieve greater shared goals; and it does not always imply being “in charge.” The question should always be how we can work collaboratively to influence or otherwise achieve our desired outcomes.

It is also important to remember our strengths; these constitute the foundation that we have to build upon. These might not be very apparent in the text, but they are an essential source of our energy, and include:

- ***The diversity of our mission and commitment.*** NOS addresses a broad suite of issues, and is positioned to support a wide array of NOAA's strategic interests.
- ***The passion and dedication of the NOS staff.*** A common theme discovered during the transition, and obvious characteristic of the wonderful NOS staff, is the competence, commitment, and dedication that we bring to our work.
- ***The intense interest of our partners and stakeholders.*** NOS deals with issues that receive much public attention and support; and have been consistently accepted as priorities by successive Administrations from divergent political traditions.
- ***The power of integration.*** The diversity of NOS programs and staff skill sets position us to draw together, from among partners and stakeholders, inside of NOAA and out, a wide range of resources to address the country's ocean and coastal priorities.

NOS Strategic Direction

Introduction

This section dealing with NOS strategic direction is a beginning, both for statements of intent and for engaging broader dialogue. The topics presented are not meant to cover all of the issues. These topics have emerged from common themes expressed by offices during the first 60 days.

One of the common themes that the transition team heard was the need to articulate a vision for what NOS is really all about, and what its goals ought to be – a clear articulation of what is important about what we do.

NOAA is clearly committed to an operational business model under the label: “One NOAA.” NOAA is stronger as a whole, and can get more traction in telling its story and supporting its mission and mandates by highlighting its interconnectedness. Thus, NOAA has been pursuing thematic approaches to looking at our mandates and activities, which are captured under five strategic goals and 44 programs.

Under this business model, the role of the line offices, such as NOS, is two-fold.

- We provide the resources to NOAA to support the planning and programming processes, and work closely in developing and communicating the NOAA budget.
- We are directly responsible for execution of the mandates as funded in the appropriation.

So, our strategic direction is designed by us, and for us, through NOAA’s planning, programming and budgeting processes. The line offices’ strongest role is in executing those plans during the current and coming fiscal years. As a line office, our “strategic direction” is really an orientation toward the short to medium-term to meet NOAA’s longer-term strategic goals.

With this context, in considering a strategic direction for NOS, there are three different ways of looking at the issue. The first is a basic statement of what we should stand for. Second is a high-level mix of themes that indicate an overall set of priorities. Last is a more specific look at program issues that are currently among the set of priorities that NOAA is expected to address.

What Do We Stand For?

The first of our basic commitments should be a gut-check. At the end of the day, what do we really stand for? What is the core of NOS?

What we all want to do, of course, is pretty simple. We want to make America a better place to live. We want to change the world. And we can.

What does that mean in our particular context as a federal agency for the oceans and coasts? The NOAA strategic plan has one way of putting this. But its essence for NOS can be distilled more simply and directly as follows:

People enjoying and sustaining productive oceans and coasts, for ecology, heritage and economy.

There it is – down to 13 words. Like many core issues, this is not always well-understood and is sometimes elusive. We can all feel it, or at least parts of it; but have trouble giving it voice. We will all need to continue to work to understand our mission more fully, so we can better convey our sense of enthusiasm and passion.

High-Level Strategic Themes

What are the “big things” that NOS should be trying to do today to express what we stand for--to support NOAA in its execution of programs? There are four that should stand out:

- 1. NOAA-wide engagements at the regional/ecosystem level;**
- 2. Integration across the breadth of the NOS execution;**
- 3. Community resiliency; and**
- 4. Managing integrated ocean and coastal observations.**

Each of these is worth an essay in its own right, and implies a wide swath of issues and challenges. But given where NOAA and NOS are today, each of these represents a “big idea,” a challenge for NOS to lead.

Program Issues

In addition to these major themes, there are a number of more specific issues to which we must pay attention.

1. Ocean Action Plan

NOS led the NOAA response to the report of the U.S. Commission on Ocean Policy, working through the NOAA Ocean Council. The NOC, now co-chaired by NMFS, is still the place where the oversight and high-level management of NOAA’s efforts to carry out the Ocean Action Plan (OAP) occurs. As we come up on the 18-month anniversary of the OAP, NOS should, in the very short-term, conduct an assessment of OAP actions for which it has direct responsibility. The purpose is to verify progress, identify current issues, and consider any reprioritization of actions in terms of required resources and expected benefit. These considerations should be addressed in the context of today’s dynamic policy, program, and budget environment.

NOS must execute in a number of these areas; for example, on regional collaborations such as the Gulf of Mexico Alliance and in the Great Lakes. This requires leadership at the national level, as well as a strong role for regional, state, and local decision-makers.

In a larger sense, the Administration is beginning to consider “Beyond the OAP.” NOS must use its capabilities and capacity for integrating to bring wide-ranging, and often diverging, forces together.

2. Integrated Ocean Observing System (IOOS)

The NOS assistant administrator will work closely with the NOAA executive for IOOS, and with the IOOS project manager, to ensure the continuing full support of NOS for executing IOOS. IOOS is a high priority for NOS, particularly in terms of the leadership needed to coordinate and integrate national and regional systems, and deliver practical applications utilizing ocean and coastal observing data.

IOOS is a major project in the NOAA requirements management process, and NOS has a significant role in standing up the project. Fiscal year 2006 is a critical year for demonstrating significant progress, and for establishing the relevance of IOOS to a wide range of users and stakeholders, including the U.S. Congress.

3. Coastal Community Resilience

NOAA is recognizing community resiliency as an integrating concept. A primary driver is the opportunity to optimize NOAA capabilities to assist communities to better plan for, respond to, and recover from persistent or recurring stressors including extreme events. For example, moving from single-hazard mapping to multi-hazard risk mapping would support comprehensive, interdisciplinary assessments of redevelopment suitability for use by officials in both short and long-range recovery planning in the northern Gulf of Mexico. Such efforts also will identify critical ecosystem resources and their potential sensitivities to multiple stressors and hazards. The economic and environmental resilience of coastal communities is a focused outcome that both justifies and requires the integration of existing priorities such as IOOS, ecosystem approaches to management, integrated ocean and coastal mapping, and emergency response preparedness.

NOS should be a leader for this unifying theme within NOAA – acting now to demonstrate how resilience can be achieved, while developing a strategy to advocate for NOS priorities for the FY 2009 PPBES process. For example, NOS’ experience in developing community decision-support tools can be combined with NOAA-wide expertise in physical, societal, and ecological hazards impacts to develop a Community Resiliency Index (CRI).

4. Securing the Future of America's Maritime Commerce

America's oceans and coasts are more than precious ecological treasures. They are also a vital life link in the web of transportation that supports our country's domestic and foreign trade. The nature of the linkage between transportation and stewardship that is implicit in the NOAA mission has been brought home many times in the past three decades. Communities must be creative to plan commercial services in harmony with ecological services. Storms devastate commerce and the environment indiscriminately. NOAA works at the nexus of these overarching issues; and NOS must strive to emphasize the integrate them.

5. Global Leadership: The NOS International Strategy

It is important not to forget that we are still the United States of America, the preeminent source of leadership on a host of global issues, including those relating to oceans and coasts. We must be committed to collaborations with other countries because "the big blue marble" is the Ultimate Ecosystem. The NOS International Programs Office (IPO) is coordinating a corporate strategic assessment of NOS' international enterprise. The assessment is examining: the relative roles of IPO and program offices; NOS mandates and interests in international work; operating principles and criteria for engagement and priority setting; and how the NOAA and NOS strategic plans are executed through international approaches and activities. The purpose is to implement a new design for international activities that promotes NOS-wide goals and priorities, efficiently plans for, acquires and aligns resources to accomplish the stated goals, and establishes an operating style that builds and sustains supportive relationships across NOS and with NOAA. The international strategy should be briefed to the NOS leadership this spring, in collaboration with NOAA international affairs.

6. Legislative Priorities

NOS offices are questioning whether they can remain effective in facilitating agency missions when they are not codified or authorized by law. The AA must serve as the policy leader who focuses on a legislative strategy that can be executed on the Hill, at OMB and within DOC.

Telling the NOAA story better will require that the AA create and find opportunities to carry the NOS portfolio to the Hill as well as build external support for the myriad important and critical products and services that the line office provides, both regionally and nationally. In serving as a champion for NOS, the AA will focus attention on the customers, communities, and constituencies who will utilize legislation to meet stewardship goals and objectives. Partnerships and collaboration will be critical to legislative success and in moving these strategies forward.

Given the concerns expressed above and the strategies outlined to address them, the legislative priorities for NOS during the next 6-12 months are:

General

- Resilient Coastal Communities – NOS must brand and highlight NOAA capabilities in hazard mitigation response, and recovery in coastal communities.
- Integrated Ocean Observing System (IOOS) – NOS needs to coordinate with the Hill on drafting and moving this legislation.

Reauthorizations

- Coastal Zone Management Act
- Coral Reef Conservation Act
- National Marine Sanctuaries Act
- Hydrographic Services Improvement Act

7. Science in NOS

A vigorous science capability underpins NOS' success in management and operations, and must be focused on addressing practical issues in the context of the NOAA mission. For example, NOS has worked to develop an integrated road map advancing NOS and goal team social science capacity, a critical element for a robust science-based approach to problem solving incorporating the human dimension. NOS is also facilitating the translation of science information into new lines of decision-making capability, such as with environmental forecasting.

NOS must ensure that its science enterprise is well integrated with the management and operations mission. How can NOS best align its approaches, priorities, and resources to realize this goal? What are the key lines of investigation, including areas of opportunity, where NOS science is critical to maintaining mission aptitude and relevance? What science skills are needed to address future problems? These are the kinds of questions that should continue to be examined over time to ensure a healthy NOS science enterprise.

8. Training and Education

Training and education are conducted throughout NOS. Education hot beds are emerging in CED, Sanctuaries, and NERRs. NOS offers an extensive menu of technical, science, process, and management-oriented training. Many of these efforts are tailored to promote new and sustainable capacities in the NOS client base, as well as for NOS employees. Given this range and level of investment – strongly justified by user needs information – NOS should recognize and nurture this capability as an important ingredient for ensuring continuing relevance to constituents. NOS can strengthen this capability by assessing its current and future requirements and strategies for training and education, including how these capabilities enable NOS to effectively execute the NOAA strategic plan.

9. Products and Services

A significant strategic imperative for NOS concerns new product and service lines, for example now-casts for marine transportation and ecological forecasts for human health and environmental management. But there are significant challenges to making these business lines a reality, especially in a federal budget context expected to be austere for the foreseeable future. Issues which are well known but often not adequately addressed include: developing and validating sound requirements prior to investment decisions; utilizing a systematic approach for the transition of research to applications and operations; identifying methods to introduce new information resources to users and decision-makers so that acceptance is achieved efficiently; understanding and addressing the impacts of new product lines on diverse interest groups; and developing legitimate cost structures that consider life-cycle costs for all phases, and then budgeting successfully for these phases through the NOAA process. Broadly speaking, NOS should be promoting integration and end-to-end approaches in considering the development and improvement of products and services. This also means looking at more orderly means for sharing planning information, program results, and resources.

NOS Management Issues

Support for Corporate NOAA

NOS has unique challenges “telling its story” in NOAA’s PPBES process, because its activities are spread over multiple programs and goals. Therefore it is critical that NOS leadership provide effective oversight to NOS participation, particularly in the planning, programming, and budgeting phases of the PPBES process where the NOS interests are primarily addressed by goal and program. Last year, the NOS Senior Management Council began a process to improve how NOS participates in PPBES. A first workshop was held in June, 2005 that addressed PPBES challenges, solutions, and integration opportunities. The workshop report provided an excellent set of recommendations, many of which have been implemented. A high priority action for NOS senior leadership will be to review this report and determine what additional recommendations need to be addressed and actions taken.

1. Line Office Representation to the Goal Teams.

NOS participates on all four of the mission goal teams, most notably Commerce and Transportation (with a responsibility for standing this up), and Ecosystems. The NOS representation to the goal teams is distributed across the agency. The designated representatives have undertaken good efforts to collaborate and share information, and have worked hard to be as responsive as possible to the needs of the goal teams. However, NOS should have a focused, corporate “presence” on the goal teams, in order to be more effective. NOS leadership will engage more completely in examining and helping to hone the NOS views for the goal teams. This can best be accomplished by focusing the responsibility on one or two individuals who will have access to the NOS leadership on a consistent basis to develop the overall NOS message for the PPBES processes. NOS will establish a position or positions that represent the overall NOS view across all of the mission goal teams; and to provide consistent and coordinated NOS leadership input to the PPBES process.

2. Standing Up the Goal Teams and Programs.

NOS has responsibilities to NOAA, articulated by the NEC, the NEP, and NOAA’s Business Operations Manual, to stand up various features of NOAA’s PPBES process. Included are providing the Goal Team Lead and the staff for the Commerce and Transportation Goal; and program managers and staff for the Coastal and Marine Resources Program, the Coasts, Estuaries and Oceans Program, the Corals Program, and the Emergency Response Program.

The *C&T Goal Team Lead* will continue to “double-hat,” except that the lead will be the OCS office director rather than NGS. Clearly, insufficient numbers of staff has detrimental impacts to both the hosting office and the management of the goal team. A NOAA Corps captain will serve as both director of OCS, as well as the goal team lead. This can only be tenable if the goal team comes with a more senior (GS-15, or high-performing GS-14) deputy goal team lead, supplemented by at least one more permanent staff. This is preferable at this time to establishing a full-time goal team lead, given all of the current demands on NOS for leadership.

The *CMRP program manager* has been the deputy of one of the NOS offices that is represented in the program. He has served through three full cycles and earned a well-justified respite. Further, the overall position of the CMRP program manager should not be embedded inside of one of the programs that is contained within the overall NOAA program. That leadership should come from a corporate NOS viewpoint, with a priority for reaching out to all programs. We will establish a new GS-15 position, to be located in N/MB/SPO, as the CMRP program manager, and will provide at least two full-time staff.

In addition, other goal and program responsibilities have been assigned to NOS. We will take time to examine these responsibilities in greater detail and examine whether we need to make revisions to our pattern of participation. N/MB will have the lead for conducting this analysis, by August 30.

3. Support for the NOAA Ocean Council.

The NOS AA co-chairs the NOC with the NMFS AA. Recently the staffing for the NOC has come from persons in NOS and NMFS who have other responsibilities. However, the NOC Charter requires PPAD to staff the NOC. The members of the NOC are currently engaging in a fundamental discussion of how the council adds value to NOAA’s decision-making processes; and seem to be oriented to a more active program of supporting NOAA’s executive decision process. In all likelihood, the staffing resources required to support this more active role will require additional and dedicated staff. NOS will staff the NOC according to the NOC Charter and will invite support from NMFS.

Leadership Roles/Responsibilities

NOS leadership must have a strong sense of who they are and what mission they serve, in order to be a successful advocate for NOS as well as effectively apply a legislative strategy on the Hill and beyond.

1. Senior Management Council

The SMC has been comprised of the highest level of leadership within NOS. The name of the body indicates some of the problems it has had lately. It is not particularly “senior.” It does not really engage in the “management” of NOS – that is most routinely done (and done extremely well) by the program office deputies. And it really doesn’t seem to be a council, which implies a collegial, legislative-oriented body.

Office directors have made it clear that they are looking forward to being engaged on the fundamental issues that affect NOAA and NOS and how we move forward strategically. Meetings need to be more than information-sharing sessions. Agency leadership needs to be involved with aggressive listening, responsiveness, and incorporation of ideas into agency policy. A weekly, two-hour meeting, often without specific purpose, that often seems to serve as the only vehicle for basic communication among the office directors, does not promote the kind of leadership culture that the office directors believe would best move NOAA and NOS forward.

To respond to these concerns, we will shortly implement some new procedures. The former SMC will become the NOS Leadership Team (NLT), with a greater focus on strategic leadership than on management. The program office deputies, under the leadership of the Deputy AA, will assume greater responsibility for continuous management of NOS activities and operations. More detailed guidance regarding the make-up, responsibility and operations of the NLT is being formalized.

In addition, we will work to establish a regular series of discussions between smaller groups of program office directors and the AA, sometimes 1-on-1. The idea is to foster a more collegial, open and regular communication with agency leadership that will provide a solid foundation for office directors to work closely with the AA and Deputy AA.

2. Deputies Meetings

The NOS program office deputies have met regularly to discuss operational, management, administrative, and process matters for several years. However, there has not been a clear distinction made between the role of the Senior Management Council (SMC) and the Deputies meetings due to the fact that a number of the same issues are addressed in both. Some things discussed in the SMC do not find an efficient path to the deputies for further consideration or action. It is clear that the two venues would benefit by a clarification of their roles, responsibilities, and communication.

Recently, the deputies have addressed issues such as: workforce planning, the NOAA rotational assignment program, geospatial policy and assets coordination, pay banding, the grants reporting process, the unreconciled property status, and organizational and management best practices in offices. These issues, relating to the day-to-day administration and management of NOS are appropriate for discussion and resolution in this forum. Therefore, unless there is a major disagreement or a substantial policy implication, issues of this kind should be decided at this level and not raised to the NLT.

Administrative Process & Improvement Issues

Briefings by the NOS program offices and further investigation highlighted several administrative processes that require attention. Among the most frequently cited was the process by which NOS enters into Memoranda of Agreement with outside parties, typically states and other federal agencies. Through these agreements, NOS normally agrees to transfer funds to the other party. NOS enters into approximately 200 such agreements per year, which constitutes a considerable workload. Despite devoting considerable resources to this effort, the process is slow and has been the subject of much criticism and frustration for several years. In some circumstances, the inability to efficiently pool and singularly administer resources among multiple federal agencies, actually acts as a disincentive to agencies working together on joint federal announcements of opportunity to get work accomplished. We must find ways to streamline this process. A workgroup within NOS, commissioned by the deputies, has begun to investigate these issues in more depth and has drafted recommendations that will be shared with the NOAA Chief Financial Officer for further consideration.

Another administrative process that requires attention relates to the controlled correspondence system. This matter has been a sore point for many years. NOS needs to consider expanding access to WebCIMS to enable the correspondence staff in the program offices to operate as full participants in the process. The effect would be to better distribute the workload and to clearly focus accountability.

Several administrative processes have been improved NOAA-wide (or are in the process of being improved) via the on-going Business Process Re-Engineering (BPR) Project. NOS must continue to work to improve group management, and implementation of COAST as a financial commitment system.

Communications

The NOS culture is one that is supportive of an open and collaborative decision-making process. Communications within and outside of the line office must reflect and nurture this culture. NOS must have great communicators within the line office in order to facilitate good communication outside of the line office. Emphasis needs to be placed on communication within the line office first.

NOS program and staff offices have expressed concern about getting information and/or access, both to and from the AA. The AA will need to provide access through a variety of options. Office Directors and Deputies will continue to have access to the AA during regularly scheduled meetings. Additionally, monthly brown bag luncheons, individual face-to-face meetings, and virtual discussions will also help to mitigate access concerns.

Procedural rigor and communication can be improved within NOS. Process error often results from poor communication. Example packages and electronic tools (i.e., WebCIMS) are available to assist NOS in maintaining procedural rigor. Example packages should be updated on a real time basis (e.g., as NOS personnel in the Correspondence Unit are notified of memorandum/document format changes) and information should be disseminated through the organization as appropriate. WebCIMS should be more fully utilized to track, monitor and facilitate communication in the document drafting and finalization process.

Feedback loops are often approached as an afterthought and really should be planned out as part of the preparation/action planning process. For example, when an Office Director visits the Hill, a post brief or virtual summary of that meeting/hearing should be sent up/down the chain of command. Feedback loops are of key importance when it comes to input from NOS constituencies and other partnering offices such as the Office of Legislative Affairs and OMB. Communications can always be improved on these fronts as well.

To fully understand the extent and nature of communication concerns, existing communication systems within and outside of NOS will require further review and, if problem areas continue to be identified, then strengthening of these systems may be required.

NOS Organization

NOS is dealing with a number of organizational issues including but not limited to: 1.) flatness, 2.) utilization of GS-15 personnel, 3.) right-sizing of Management and Budget, 4.) NOS elevation package for CSC, CO-OPS, and NMSP, 5.) regional business models, 6.) existence of formal business structures beyond Centers, and 7.) short and long-term implications of implementing new business models. The concerns surrounding these issues are valid and deserve more attention than can be devoted during the first 60-days on the job. However, NOS is committed to continuing to work on them in the coming months.

In an effort to clarify operational expectations of the AA's suite, the AA will issue a separate memorandum from this report covering the operational policies of the front office.

NOS Budget Outlook

Current Budget Management Considerations

1. Impacts of Budget Shortfalls

The enacted FY 2006 budget and the President's proposed FY 2007 budget presents challenges for NOS in terms of continued erosion of base funding and in some cases actual reductions from previous budget levels. While the FY 2006 budget will not require such draconian actions as a reduction-in-force or an agency wide hiring freeze, NOS program managers are making necessary adjustments in their FY 2006 spending plans to address budget shortfalls.

In the present fiscal year, financial support for priority un-funded or under-funded activities can potentially be achieved by reallocating funding from lower priority activities and better integrating budget earmarks into NOS. In addition, some new sources of funding are available in the competitive mode such as for integrated ocean observations and for collaborative activities with the start up of a new northern Gulf of Mexico cooperative institute.

2. Contingency/Mitigation Plans

The budget impacts on the ability of NOS to execute its program in FY 2006 and 2007 will be a topic of continuing oversight by NOS senior management. To help make informed decisions, NOS Office Directors will be directed to:

- (a) Prepare recommended changes to current year spending plans to address FY 2006 budget shortfalls. Decisions on these recommendations will require the concurrence of the AA.
- (b) Prepare an analysis of the President's FY 2007 budget request for major impacts on program execution.

Future Outlook

The reality facing NOS and most domestic federal agencies is that there will be limited opportunities for significant budget growth in the near future. NOS program and goal team participants in NOAA's Planning, Programming, and Budgeting processes will continue to make the best cases they can to increase NOS resources in out year budget requests. However, once these decisions are made, NOS and other NOAA line offices have the responsibility for the "Execution" part of PPBES. This will mean making the best uses of budget resources we receive to execute our respective activities and being willing to make the necessary changes to adjust to changing priorities in an austere budget climate.

Human Capital & Facilities

Workforce Issues

1. Workforce Management Office Relations

During the past year, NOAA reassigned the responsibility for servicing NOS from Silver Spring to Norfolk. As might be expected with any change of this sort, it was not accomplished without some disruption. Overall, however, it appears to have gone reasonably smoothly. NOS clients are generally impressed with the service orientation of the Norfolk Workforce Management Office.

2. FTEs and Contractors

Over the past twenty years or so, the federal government has substantially reduced the size of its workforce. The total federal employment was reduced by almost 300,000 jobs, from 2.2m to 1.9m.

Since the work level was not correspondingly reduced (indeed it probably increased) the resulting gap has been addressed with contractors who have been hired to, in essence, replace the staff reductions taken in the federal workforce. In fact, at the NOS Silver Spring headquarters, the approximately 800 federal employees are complemented by more than 300 on-site contractors. This practice is wide-spread throughout the federal community. In fact, the National Academy of Public Administration is conducting an on-going study of the issue and has held several workshops for federal HR managers and other experts. It is clear that the emergence of this “Blended Workforce” is likely to grow. The question for NOS is how to best manage this opportunity and derive maximum benefit from it, while minimizing the problems.

NOS owes it to its entire workforce, FTE’s and contractors alike, to clarify this situation and treat all workers fairly and justly, consistent with sound business practice. NOS will work to explore solutions consistent with NOAA-wide approaches, and government-wide best practices. NOS should be willing to lead NOAA and our federal agency partners.

3. Demonstration Project/Pay Banding

More than 15 years ago, the federal government began a Demonstration Project in Pay Banding to test the concept of replacing the standard GS grade system with a pay-for-performance approach. The project originally was instituted at the US Navy’s China Lake research laboratory and at the National Institute of Standards and Technology in the Department of Commerce. Over time it expanded and now includes more than 3,000 NOAA employees---although none in NOS. NOAA has now been granted an additional 3,500 spaces and NOS will convert to the system in October of 2006.

Significant training will be conducted for managers and employees during the period June-September 2006. Both managers and employees must begin to think in somewhat different terms than before because the linkage between performance and pay will be strengthened---and this will affect the annual performance appraisal process. There will be a significant new workload for pay management issues with greater responsibility placed upon supervisors and, ultimately, the office deputies.

Finally, it must be noted that virtually all the organizations which have migrated to pay banding have experienced some frustration in the first year as everyone adjusts to a totally new environment. We should expect this. However, virtually all the organizations which have switched have come to prefer pay banding after the first year transition. So, we must be patient.

4. Succession Issues/Workforce Planning & Development

Organizations change over time. However, the rate of change within NOS has been unusual. For example in the past 18 months more than half of the senior leadership has turned over. This is only the tip of the iceberg. The federal workforce (NOS included) is quite old relative to the private sector workforce. More than 40 percent of the federal workforce is over age 50 and more than 1/3 are currently retirement eligible. Federal retirements are expected to accelerate sharply in the next few years as “baby boomers” are now entering their sixties. It is likely that the next generation of leadership is currently within NOAA and NOS---at the GS-14 and GS-15 level.

It is prudent to plan for the inevitable changes ahead. The best way to do this is to engage in a serious workforce planning effort to identify the skills necessary for NOS to address present and emerging issues. Planning would also identify the gaps in the present workforce and develop strategies to fill those gaps by means of continued professional development of current staff or aggressive recruiting of out-side talent. By understanding skill needs, NOS should position itself to utilize current employees to move up in the organization.

5. Diversity/Minority Recruitment Issues

NOS can always improve its record in regard to its diversity and minority recruitment. On the positive side, NCCOS has forged an excellent relationship with Florida A&M University (FAMU)---a minority-serving institution. Indeed, NCCOS was given 2 FTE specifically to hire students from the FAMU program (one of whom has now been converted to career status). We need more of this type of success throughout NOS.

NOS participates in NOAA-wide efforts to recruit minority students. For example, 19 Hollings Scholars will be working this year in NOS. We must not only identify interns, but also recruit into the permanent professional workforce. This can best be done by establishing an aggressive and continuing program with real targets. We will be looking at all of the tools available to achieve significant progress.

Facilities Issues

1. Master Planning

NOS has not engaged in developing a facilities plan and, as a result, does not have a corporate view of the nature of its facilities inventory, the condition of that inventory or the likely future cost implications of maintaining or expanding it. Most of NOS's facilities are in NCCOS, the Sanctuaries program and at the Coastal Services Center; as well as major investments at NERR sites. While each has paid attention to their facilities, there is little corporate attention paid to them and therefore no systematic approach to maintenance or development.

NOS should develop the capability to evaluate the condition of its facilities inventory (either in-house or through use of outside experts) and use that base-line to project future budgetary needs. We should seek to collaborate with our colleagues in NMFS, and perhaps other line offices. Maintenance costs and program requirements should be brought to the table by NOS managers as they engage in the PPBES process. Facilities requirements are a real cost---and one that accelerates if they are not addressed in a timely fashion. Left unaddressed, these costs run the danger of substantially impacting NOS's ability to accomplish program goals.

2. Project Oversight

One of the significant lessons learned by the recent CSC expansion, was that the cost of hiring an on-site project manager, working for the federal interest, more than pays for itself through cost-avoidance and time savings. We must assure that the resources are available to hire a (temporary) employee with facilities experience to provide on-site oversight to the construction contractor who is doing the work on all projects over a certain level. It is clear from the CSC experience that whatever the cost may be, it is a cost that is well worth bearing.

3. Safety & Health Issues

NOS has made good progress in addressing safety and health issues. We have substantially reduced reportable accidents over the past two years as a result of increased attention. NOS is well represented on the NOAA Safety and Health Council with NCCOS in the lead and with staff support from M&B. NCCOS is now implementing an Environmental Management System at its laboratories. These developments are positive but, as with many administrative issues, they are more specific to individual offices than to NOS as a whole. Therefore, NOS must develop a more corporate approach to insure that the good work that is being done is more broadly deployed across the entire organization.

Conclusion

Given that the new AA has visions of being a competent sailor some day, a shipboard analogy makes a fitting conclusion to this review of the NOS “ship of state.” It is clear from this initial review that the National Ocean Service has a crew comprised of a committed staff of outstanding performers, working on a critical mission for our country and the world. The course we are following is the right one, but naturally needs adjustment from time to time to correct for variable wind and current. The ship can use some adjustments to trim, mostly to suit the style of the new skipper.

But for those looking for the “take home” message, it boils down to a few highlights:

What we Stand For:

People enjoying and sustaining productive oceans and coasts, for ecology, heritage and economy.

Major Themes for NOS:

- **NOAA-wide engagements at the regional/ecosystem level**
- **Integration across the breadth of the NOS execution**
- **Community resiliency**
- **Managing integrated ocean and coastal observations**

Principal Program Issues:

- **Ocean Action Plan Implementation**
- **IOOS**
- **Coastal Community Resilience**
- **Securing America’s Maritime Commerce**
- **Global Leadership**
- **Legislative Priorities**
- **Science in NOS**
- **Training and Education**
- **Support Corporate NOAA**
- **Products and Services**
- **Improve the NOS Organization**
- **Focus on Improved Communication**

We are here to make America a better place to live. We want to change the world.

And we can.

And we will.

APPENDIX A

This appendix documents feedback received by the NOS Assistant Administrator during NOS office orientations. Offices were asked to articulate the top several issues for which they desire the direct help and attention of the AA.

Management and Budget Office

1. Reach a decision, with advice and input from the Senior Management Council, on the "right-sizing" of AA/M&B. This means reaching closure on staffing and budget levels for the AA's office and M&B.
2. Support efforts to convert contractor staff to FTE. This is of importance NOS-wide, and not confined to just M&B.
3. Continue to stress for the entire organization the importance of planning and executing budgets accurately, including meeting grants timelines and commitments.
4. Expand Congressional awareness and appreciation of NOAA ocean programs through ambitious outreach and communications, with support from PPAD and NOAA's OLA.

National Marine Sanctuaries

1. Run interference and help drive the Northwest Hawaiian Island's designation as a National Marine Sanctuary.
2. The current Ecosystem Goal Team program structure is a significant problem for the National Marine Sanctuary Program. Being buried within the CMRP, and buried within the EGT, mitigates against any additional funding or new program ideas getting up the food chain. In NMS' thinking, this is an unacceptable circumstance for the nation's National Marine Sanctuary System.
3. Visit sanctuaries and build awareness of constituencies. In order to fully appreciate what the Sanctuary system is, NMS needs the AA to begin a series of visits to sites to meet with constituents and Advisory Councils. Of all programs within NOAA, the wide-based constituency that supports sanctuaries is the most diverse, and is not well known by the AA through his past NOAA experiences.

National Centers for Coastal Ocean Science

1. There are no official structures beyond the individual NCCOS Centers, and NCCOS needs to address this as a priority reorganization issue.
2. Budget issues concerning facilities, buildings, and structures, and ensuring a safe working environment for personnel.
3. Program recognition and Congressional support.

Office of Ocean and Coastal Resource Management

1. Active support for CZMA reauthorization.
2. Grants issues and management including impacts of arbitrary and changing deadlines.
3. Strengthening interagency and federal-state relationships.

National Geodetic Survey

1. Support the height modernization program, and the NGS portfolio with the Congress.
2. Streamline the agreements with state advisors function (recurring difficulties with the Office of General Counsel).
3. Coastal mapping program. Support funding requests and improvements in links to hydrographic services for mission reinforcement and efficiency.

Office of Response and Restoration

1. Base budget shortfall over the past three years and OR&R visibility. Need to understand why and revise the strategy to improve support for OR&R.
2. OR&R's leadership role relative to emergency response is unclear. There are issues with partnership, leadership roles, and responsibilities. Need the AA's support to seek a decision on the Emergency Response Program merger and Manager.
3. Assist with resolving the General Counsel direct bill. Sub-issues include: does the direct bill cover all or just part of the NOS programs; and cost recovery from USCG.
4. Support the OR&R reorganization, and discussions with the NOAA Workforce Management Office about meeting performance standards.

International Programs Office

1. Support the role of international in NOS based on the results of the strategic assessment.
2. Support liaison with DAS Brennan for assistance with NOAA interactions, and for a fiscal solution to the Global Program of Action virtual node office.
3. Assist with procuring broader IMPAC support, within the government, private sector, and NGO community.

Office of Coast Survey

1. Promote the OCS and marine portfolio with the Congress.
2. Promote core capabilities of OCS to do work with respect to the interests of the private sector to partner to support the NOS mission.
3. Support the Integrated Ocean and Coastal Mapping initiative.

Coastal Services Center

1. See through the restructuring of CSC and elevation of CSC to a program office.
2. Support Gulf of Mexico activities including: GoM Alliance leadership; stand-up of the Gulf Services Center regional approach and integration with ecosystem approaches to management; and on-going high-priority efforts including NOS partnership projects and the northern GoM Cooperative Institute.
3. Support legislative authority for CSC including basic authority and the ability to collect registration fees for conferences.

Center for Operational Oceanographic Products and Services

1. PORTS – address issues of strategy (e.g. continue PORTS or expand NWLP and NCOP) and financial support (e.g. federal or cost shared); \$1.5M cut to FY06 level has impacts from previous base of \$3M; moratorium on new PORTS.
2. Help to address a disconnection in supporting the harmful algal bloom forecast system within the PPBES.
3. Support delivery on the storm surge action plan, and interactions with the NWS.